



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

RESEARCH APPENDIX - **PLEASE DO NOT REMOVE FROM DRAFTING FILE**

Date Transfer Requested: 03/04/2011 (Per: CMH)

- A ☞ The 2011 drafting file for LRB-0805
- B ☞ The 2011 drafting file for LRB-0808
- C ☞ The 2011 drafting file for LRB-1059
- D ☞ The 2011 drafting file for LRB-1369

☞ Compile Draft – Appendix C... segment IX

has been tranfered to the drafting file for

2011 LRB-1465*

* One of the compile drafts used in the creation of AB 40 & SB 27 (2011 Budget Bill)

strike

1 238.301 (1) APPLICATION. (intro.) Any person may apply to the ~~department~~
2 corporation on a form prepared by the ~~department~~ corporation for certification under
3 this section. The application shall include all of the following:

4 (e) Other information required by the ~~department~~ or the department of
5 revenue.

corporation

6 (2) (a) The ~~department~~ corporation may certify a person who submits an
7 application under sub. (1) if, after conducting an investigation, the ~~department~~
8 corporation determines that the person is conducting or intends to conduct at least
9 one eligible activity.

10 (b) The ~~department~~ corporation shall provide a person certified under this
11 section and the department of revenue with a copy of the certification.

12 (3) CONTRACT. (intro.) A person certified under this section shall enter into a
13 written contract with the ~~department~~ corporation. The contract shall include
14 provisions that detail all of the following:

15 (b) Whether any of the eligible activities will occur in an economically
16 distressed area, as designated by the ~~department~~ corporation under s. 560.704
17 238.304 (1).

18 (c) Whether any of the eligible activities will benefit members of a targeted
19 group, as determined by the ~~department~~ corporation under s. 560.704 238.304 (2).

20 (d) A compliance schedule that includes a sequence of anticipated actions to be
21 taken or goals to be achieved by the person before the person may receive tax benefits
22 under s. 560.703 238.303.

23 (f) If feasible, a determination of the tax benefits the person will be authorized
24 to claim under s. 560.703 238.303 (2) if the person fulfills the terms of the contract.

1 **SECTION 614.** 560.702 of the statutes is renumbered 238.302, and 238.302
2 (intro.), (1), (2) and (3), as renumbered, are amended to read:

3 **238.302 Eligible activities.** (intro.) A person who conducts or proposes to
4 conduct any of the following may be certified under s. ~~560.701~~ 238.301 (2):

5 **(1) JOB CREATION PROJECT.** A project that creates and maintains for a period of
6 time established by the ~~department~~ corporation by rule full-time jobs in addition to
7 any existing full-time jobs provided by the person.

8 **(2) CAPITAL INVESTMENT PROJECT.** A project that involves a significant
9 investment of capital, as defined by the ~~department~~ corporation by rule under s.
10 ~~560.706~~ 238.306 (2) (b), by the person in new equipment, machinery, real property,
11 or depreciable personal property.

12 **(3) EMPLOYEE TRAINING PROJECT.** A project that involves significant investments
13 in the training or reeducation of employees, as defined by the ~~department~~
14 corporation by rule under s. ~~560.706~~ 238.306 (2) (c), by the person for the purpose of
15 improving the productivity or competitiveness of the business of the person.

16 **SECTION 615.** 560.703 of the statutes ^{(1) (b), (2) and (3)} ~~is~~ renumbered 238.303, and 238.303 (1)
17 ~~(a) and~~ (b), (2) and (3), as renumbered, are amended to read: ^{are} ~~(1) (b), (2) and (3)~~

18 238.303 (1) (a) Except as provided in par. (b), and subject to a reallocation by
19 the ~~department~~ corporation pursuant to rules ~~promulgated~~ adopted under s. 560.205
20 238.15 (3) (d), the total tax benefits available to be allocated by the ~~department~~
21 corporation under ss. ~~560.701 to 560.706~~ 238.301 to 238.306 may not exceed the sum
22 of the tax benefits remaining to be allocated under ss. 560.71 to 560.785, 560.797,
23 560.798, 560.7995, and 560.96, 2009 stats., on March 6, 2009.

24 (b) The ~~department~~ corporation may submit to the joint committee on finance
25 a request in writing to exceed the total tax benefits specified in par. [✓](a). The

238.303 (1) (B)

1 ~~department corporation~~ shall submit with its request a justification for seeking an
2 increase under this paragraph. The joint committee on finance, following its review,
3 may approve or disapprove an increase in the total tax benefits available to be
4 allocated under ss. ~~560.701 to 560.706~~ 238.301 to 238.306.

5 (2) AUTHORITY TO CLAIM TAX BENEFITS. The ~~department corporation~~ may
6 authorize a person certified under s. ~~560.701~~ 238.301 (2) to claim tax benefits only
7 after the person has submitted a report to the ~~department corporation~~ that
8 documents to the satisfaction of the ~~department corporation~~ that the person has
9 complied with the terms of the contract under s. ~~560.701~~ 238.301 (3) and the
10 requirements of any applicable rules ~~promulgated~~ adopted under s. ~~560.706~~ 238.306
11 (2).

12 (3) NOTICE OF ELIGIBILITY. The ~~department corporation~~ shall provide to the
13 person and to the department of revenue a notice of eligibility to receive tax benefits
14 that reports the amount of tax benefits for which the person is eligible.

15 **SECTION 616.** 560.704 of the statutes is renumbered 238.304, and 238.304
16 (intro.) and (1), as renumbered, are amended to read:

17 **238.304 Eligible activities in economically distressed areas and**
18 **benefiting members of targeted groups.** (intro.) The ~~department corporation~~
19 may authorize a person certified under s. ~~560.701~~ 238.301 (2) to claim additional tax
20 benefits under s. ~~560.703~~ 238.303 if, after conducting an investigation, the
21 ~~department corporation~~ determines any of the following:

22 (1) The person conducts at least one eligible activity in an area designated by
23 the ~~department corporation~~ as economically distressed. In designating an area as
24 economically distressed under this subsection, the ~~department corporation~~ shall
25 follow the methodology established by rule under s. ~~560.706~~ 238.306 (2) (e).

3

1 SECTION 617. 560.705 of the statutes is renumbered 238.305 and 238.305
2 (intro.), (1) and (2), as renumbered, are amended to read:

3 **238.305 Revocation of certification.** (intro.) The department corporation
4 shall revoke the certification of a person who does any of the following:

5 (1) Supplies false or misleading information to obtain certification under s.
6 ~~560.701~~ 238.301 (2).

7 (2) Supplies false or misleading information to obtain tax benefits under s.
8 ~~560.703~~ 238.303.

9 SECTION 618. 560.706 of the statutes is renumbered 238.306 and 238.306
10 (intro.), (1) (a) and (b), (2) (a), (b), (c), (d), (e) (intro.), (f), (g), (h), (i) and (k) and (3),
11 as renumbered, are amended to read:

12 **238.306 Responsibilities of the department corporation.** (intro.) The
13 department corporation shall do all of the following:

14 (1) (a) Annually verify information submitted to the department of revenue
15 under ss. 71.07 (2dy), 71.28 (1dy), 71.47 (1dy), and 76.637 by persons certified under
16 s. ~~560.701~~ 238.301 (2) and eligible to receive tax benefits under s. ~~560.703~~ 238.303.

17 (b) Notify and obtain written approval from the secretary (board) for any
18 certification under sub. (2) (j).

2
chief executive
officer of the corpor-
ation

19 (2) (a) A schedule of hourly wage ranges to be paid, and health insurance
20 benefits to be provided, to an employee by a person certified under s. ~~560.701~~ 238.301
21 (2) and the corresponding per employee tax benefit for which a person certified under
22 s. ~~560.701~~ 238.301 (2) may be eligible.

23 (b) A definition of "significant investment of capital" for purposes of s. ~~560.702~~
24 238.302 (2), together with a corresponding schedule of tax benefits for which a person
25 who is certified under s. ~~560.701~~ 238.301 (2) and who conducts a project described

1 in s. ~~560.702~~ 238.302 (2) may be eligible. The ~~department~~ corporation shall include
2 in the definition required under this paragraph a schedule of investments that takes
3 into consideration the size or nature of the business.

4 (c) A definition of “significant investments in the training or reeducation of
5 employees” for purposes of s. ~~560.702~~ 238.302 (3), together with a corresponding
6 schedule of tax benefits for which a person who is certified under s. ~~560.701~~ 238.301
7 (2) and who conducts a project under s. ~~560.702~~ 238.302 (3) may be eligible.

8 (d) A schedule of tax benefits for which a person who is certified under s.
9 ~~560.701~~ 238.301 (2) and who conducts a project that will result in the location or
10 retention of a person’s corporate headquarters in Wisconsin may be eligible.

11 (e) (intro.) The methodology for designating an area as economically distressed
12 under s. ~~560.704~~ 238.304 (1). The methodology under this paragraph shall require
13 the ~~department~~ corporation to consider the most current data available for the area
14 and for the state on the following indicators:

15 (f) A schedule of additional tax benefits for which a person who is certified
16 under s. ~~560.701~~ 238.301 (2) and who conducts an eligible activity described under
17 s. ~~560.704~~ 238.304 may be eligible.

18 (g) Reporting requirements, minimum benchmarks, and outcomes expected of
19 a person certified under s. ~~560.701~~ 238.301 (2) before that person may receive tax
20 benefits under s. ~~560.703~~ 238.303.

21 (h) Policies, criteria, and methodology for allocating a portion of the tax benefits
22 available under s. ~~560.703~~ 238.303 to rural areas.

23 (i) Policies, criteria, and methodology for allocating a portion of the tax benefits
24 available under s. ~~560.703~~ 238.303 to small businesses.

25 (k) Procedures for implementing ss. ~~560.701 to 560.706~~ 238.301 to 238.306.

1 (3) REPORTING. Annually, 6 months after the report has been submitted under
 2 s. 560.01 (2) (am), submit to the joint legislative audit committee and to the
 3 appropriate standing committees of the legislature under s. 13.172 (3) a
 4 comprehensive report assessing the program under ss. ~~560.701 to 560.706~~ 238.301
 5 to 238.306. The report under this subsection shall update the applicable information
 6 provided in the report under s. ~~560.01 (2) (am)~~ 238.07 (2)

7 SECTION 619. 560.71 of the statutes is renumbered 238.31, and 238.31 (1)
 8 (intro.), (ac), (am), (b), (d) and (e) (intro.), 3. and 4. a., c. and d., (1m) (intro.), (a) and
 9 (h), (2) and (3) (intro.), as renumbered. are amended to read:

10 238.31 (1) (intro.) The department corporation may designate an area as a
 11 development zone if all of the following apply:

12 (ac) The department corporation has invited a local governing body to nominate
 13 the area under s. ~~560.715~~ 238.315.

14 (am) A local governing body nominates the area as described in s. ~~560.72~~
 15 238.32.

16 (b) The department corporation has evaluated the local governing body's
 17 application as described in s. ~~560.725~~ 238.325.

18 (d) The area meets the applicable requirements under s. ~~560.735 or 560.737~~
 19 238.335 or 238.337.

20 (e) (intro.) The department corporation determines all of the following:

21 3. That economic development in the area is not likely to occur or continue
 22 without the department's corporation's designation of the area as a development
 23 zone.

1 4. a. The unemployment rate in the area is higher than the state average for
2 the 18 months immediately preceding the date on which the application under s.
3 560.72 238.32[✓] (2) or (3) was submitted to the department corporation.

4 c. The percentage of households in the area receiving unemployment insurance
5 under ch. 108, relief funded by a relief block grant under ch. 49, or aid to families with
6 dependent children under s. 49.19 is higher than the state average.

7 d. In the 36 months immediately preceding the date on which the application
8 under s. 560.72 238.32[✓] (2) or (3) was submitted to the department corporation, a
9 number of workers in the area were permanently laid off by their employer or became
10 unemployed as a result of a business action subject to s. 109.07 (1m).

11 **(1m)** (intro.) In making a determination under sub. (1) (e), the department
12 corporation shall consider all of the following:

13 (a) The extent of poverty, unemployment, or other factors contributing to
14 general economic hardship in the area.

15 (h) Any other factors that the department corporation considers relevant.

16 **(2)** In determining whether an area meets the requirements under sub. (1) (e)
17 or s. 560.735 238.335[✓], the department corporation may rely on any data provided by
18 the local governing body ~~which~~ that the department corporation determines is
19 relevant.

20 **(3)** (intro.) The department corporation shall do all of the following:

21 **SECTION 620.** 560.715[✓] of the statutes is renumbered 238.315[✓] and amended to
22 read:

23 **238.315 Invitation to nominate area.** If the department[✓] corporation
24 determines that an area has experienced or is about to experience economic distress,

1 the department corporation may invite local governing bodies in the area to
2 nominate the area as a development zone.

3 **SECTION 621.** 560.72 of the statutes is renumbered 238.32, and 238.32 (1)
4 (intro.), (2) (intro.), (c), (d), (f) and (i), and (3), as renumbered, are amended to read:
5 and (5)

6 238.32 (1) (intro.) A local governing body may nominate an area as a
7 development zone, if the department corporation has invited the governing body to
8 nominate the area under s. 560.715 238.315 and if the governing body does all of the
9 following:

10 (2) (intro.) A local governing body may nominate the area as a development
11 zone by submitting an application to the department corporation in a form prescribed
12 by the department corporation. The application shall include all of the following:

13 (c) Evidence that the area meets at least 3 of the criteria under s. 560.71 238.31

14 (1) (e) 4.

15 (d) Evidence that the area meets the applicable requirements of s. 560.735
16 238.335.

17 (f) A description of past and present economic development activities in the
18 area under local, state, or federal programs.

19 (i) Any other information required by the department corporation.

20 (3) Two or more local governing bodies may submit a joint application
21 nominating an area as a development zone, subject to s. 560.735 238.335 (2), if each
22 local governing body complies with subs. (1) and (2).

23 (5) The department corporation may permit a local governing body to revise an
24 application that the department corporation determines is inadequate or
incomplete.

1 ~~560.725~~^X **SECTION 622.** 560.725 of the statutes is renumbered 238.325 and amended to
2 read:

3 **238.325 Evaluation by department corporation.**[✓] (1) The department
4 corporation shall evaluate applications received under s. ~~560.72~~ 238.32[✓] (2) and (3).

5 (2) Subject to s. ~~560.735~~ 238.335[✓] (5), the department corporation[✓] may reduce
6 the size of an area nominated as a development zone, if the department corporation[✓]
7 determines the boundaries as proposed by the local governing body in an application
8 under s. ~~560.72~~ 238.32[✓] (2) or (3) are inconsistent with the purpose of the development
9 zone program. Any nominated area which is reduced under this subsection need not
10 comply with s. ~~560.735~~ 238.335[✓] (1) and (4).

11 (3) After evaluating an application submitted under s. ~~560.72~~ 238.32[✓] (2) or (3),
12 the department corporation[✓] may approve the application, subject to any reduction
13 in the size of the nominated area under sub. (2). If the department corporation
14 approves the application, the department corporation[✓] shall designate the area as a
15 development zone, subject to s. ~~560.71~~ 238.31[✓], and notify the local governing body.

16 ~~560.735~~^X **SECTION 623.** 560.735 of the statutes is renumbered 238.335, and 238.335 (1)
17 (a) and (c), (2), (5) (a) and (b), (6) (a) 1. and 2. and (c), (6r) and (7),[✓] as renumbered, are
18 amended to read:

19 238.335 (1) (a) The area contains less than 10% of the valuation of the property
20 of the city, village,[✓] or town, as determined under s. 70.57, in which the area is located.

21 (c) If the area is located within a village, town,[✓] or city other than a 1st class city,
22 the population of the area is not less than 1,000 nor more than 10,000, as estimated
23 under s. 16.96.

1 (2) If an area is located within the boundaries of 2 or more cities, villages, or
2 towns, the property value of the cities, villages, or towns under sub. (1) (a) shall be
3 combined for the purposes of sub. (1).

4 (5) (a) The area has a continuous border following natural or man-made
5 boundaries such as streets, highways, rivers, municipal limits, or limits of a
6 reservation.

7 (b) The area consists of contiguous blocks, census blocks, or similar units.

8 (6) (a) 1. Each of the areas has a continuous border following natural or
9 man-made boundaries and consists of contiguous blocks, census blocks, or similar
10 units.

11 2. Each area meets at least 3 of the criteria listed in s. ~~560.71~~ 238.31 (1) (e) 4.

12 (c) If an application is submitted by the governing body of a county under s.
13 ~~560.72~~ 238.32 (2) or (3), up to 4 separate areas may be nominated or designated as
14 one development zone, if par. (a) 1. to 3. applies.

15 (6r) Subject to the population limit under sub. (6m), if an area that is
16 nominated or designated as a development zone is comprised of one or more entire
17 counties and a city, village, or town is partially located in the area and partially
18 located outside of the area, the entire city, village, or town shall be part of the
19 nominated or designated area.

20 (7) The ~~department corporation~~ may waive the requirements of this section in
21 a particular case, if the ~~department corporation~~ determines that application of the
22 requirement is impractical with respect to a particular development zone.

23 SECTION 624. ~~560.737~~ of the statutes is repealed.

24 SECTION 625. ~~560.74~~ of the statutes is renumbered ~~238.34~~, and 238.34 (1), (2),
25 (3) (intro.) and (a), (4), (5) and (6), as renumbered, are amended to read:

1 238.34 (1) Except as provided under sub. (6), at any time after a development
2 zone is designated by the ~~department~~ corporation, a local governing body may submit
3 an application to change the boundaries of the development zone. If the boundary
4 change reduces the size of a development zone, the local governing body shall explain
5 why the area excluded should no longer be in a development zone. The ~~department~~
6 corporation may require the local governing body to submit additional information.

7 (2) The ~~department~~ corporation may approve an application for a boundary
8 change if the development zone, as affected by the boundary changes, meets the
9 applicable requirements of s. ~~560.735~~ 238.335 and 3 of the criteria under s. ~~560.71~~
10 238.31 (1) (e) 4.

11 (3) (intro.) If the ~~department~~ corporation approves an application for a
12 boundary change under sub. (2), it shall do all of the following:

13 (a) Redetermine the limit on the tax benefits for the development zone
14 established under s. ~~560.745~~ 238.345 (2) (a).

15 (4) The change in the boundaries or tax benefits limit of a development zone
16 shall be effective on the day the ~~department~~ corporation notifies the local governing
17 body under sub. (3) (b).

18 (5) No change in the boundaries of a development zone may affect the duration
19 of an area as a development zone under s. ~~560.745~~ 238.345 (1) (a). The ~~department~~
20 corporation may consider a change in the boundary of a development zone when
21 evaluating an application for an extension of the designation of an area as a
22 development zone under s. ~~560.745~~ 238.345 (1) (b).

23 (6) The ~~department~~ corporation may not accept any applications under sub. (1)
24 to change the boundaries of a development zone designated under s. ~~560.71~~ 238.31
25 on or after March 6, 2009.

1 ^X
SECTION 626. 560.745 of the statutes is renumbered 238.345, and 238.345 (1)
2 (a) and (b), (2) (a), (am), (b), (c) 1. and 2. and (d) and (3), as renumbered, are amended
3 to read:

4 238.345 (1) (a) The designation of an area as a development zone shall be
5 effective for 240 months, beginning on the day the department notifies the local
6 governing body under s. ~~560.725~~ 238.325[✓](3) of the designation.

7 (b) The local governing body may apply to the ~~department~~[✓] corporation for one
8 60-month extension of the designation. The ~~department~~[✓] corporation shall
9 ~~promulgate~~[✓] adopt rules establishing criteria for approving an extension of a
10 designation of an area as a development zone under this subsection. No applications
11 may be accepted by the ~~department~~[✓] corporation under this paragraph on or after
12 March 6, 2009.

13 (2) (a) When the ~~department~~[✓] corporation designates a development zone under
14 s. ~~560.71~~ 238.31[✓], it shall establish a limit for tax benefits for the development zone
15 determined by allocating to the development zone a portion of \$38,155,000.

16 (am) Notwithstanding par. (a), the ~~department~~[✓] corporation may increase the
17 established limit for tax benefits for a development zone. The ~~department~~[✓] corporation
18 may not increase the limit for tax benefits established for any
19 development zone designated under s. ~~560.71~~ 238.31[✓] on or after March 6, 2009.

20 (b) Annually the ~~department~~[✓] corporation shall estimate the amount of forgone
21 state revenue because of tax benefits claimed by persons in each development zone.

22 (c) 1. Ninety days after the day on which the ~~department~~[✓] corporation
23 determines that the forgone tax revenues under par. (b) will equal or exceed the limit
24 for the development zone established under par. (a) or (am).

1 2. The day that the department corporation ✓ withdraws its designation of an
2 area as a development zone under sub. (3).

3 (d) The department corporation ✓ shall immediately notify the local governing
4 body of a change in the expiration date of the development zone under par. (c).

5 (3) (intro.) ✓ The department corporation ✓ may withdraw the designation of an
6 area as a development zone if any of the following ~~apply~~ ✓ applies plain

7 (a) No person is certified as eligible to receive tax benefits under s. 560.765
8 238.365 (3) ✓ during the 12-month period beginning on the day the area is designated
9 as a development zone and the department corporation determines that the local
10 governing body that nominated the zone is not in compliance with s. 560.763 ✓ 238.363.

11 (b) No person is certified as eligible to receive tax benefits under s. 560.765
12 238.365 (3) ✓ during the 24-month period beginning on the day the area is designated
13 a development zone.

14 **SECTION 627.** 560.75 ✓ of the statutes is renumbered 238.35, and 238.35 ✓ (intro.),
15 (6), (7), (8) and (10), as renumbered, are amended to read:

16 **238.35 Additional duties of the department corporation.** ✓ (intro.) The
17 department corporation ✓ shall do all of the following:

18 (6) Notify University of Wisconsin small business development centers, the
19 Wisconsin housing and development centers, the central administration of all
20 University of Wisconsin campuses and regional planning commissions about the
21 development zone program and encourage those entities to provide advice to the
22 department corporation ✓ or local governing bodies on ways to improve the
23 development zone program.

24 (7) Prepare forms for the certification described under s. 560.765 238.365 (5) ✓.

1 (8) Annually verify information submitted to the ~~department~~[✓] corporation
2 under s. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), or 76.636.

3 (10) Enter into an agreement with the local governing body of a 1st class city
4 where a development zone is designated under s. ~~560.71~~ 238.31[✓] (3) (c) 1. to provide
5 efficient administration of the development zone program within the development
6 zone.

7 **SECTION 628.** ~~560.763~~[✓] of the statutes is renumbered 238.363, and 238.363 (1)
8 (intro.) and (c) and (4), as renumbered, are amended to read:

9 238.363 (1) (intro.) If an area nominated by a local governing body is designated
10 as a development zone under s. ~~560.71~~ 238.31[✓], the local governing body shall do all
11 of the following:

12 (c) Assist the ~~department~~[✓] corporation in the administration of the
13 development zone program.

14 (4) The local governing body of a 1st class city where a development zone is
15 designated under s. ~~560.71~~ 238.31[✓] (3) (c) 1. shall enter into an agreement with the
16 ~~department~~[✓] corporation to provide efficient administration of the development zone
17 program within the development zone.

18 **SECTION 629.** ~~560.765~~[✓] of the statutes is renumbered 238.365, and ~~238.365~~[✓]
19 (intro.), (2), (3) (intro.), (b), (c), (e) and (j) and (5) (intro.), (e), (g) and (h), as
20 renumbered, are amended to read:

21 **238.365 Certification for tax benefits.** (intro.) The ~~department~~[✓] corporation
22 shall do all of the following:

23 (2) Determine whether a person applying for tax benefits engages or will
24 engage in economic activity ~~which that~~ violates s. ~~560.78~~ 238.38[✓] (1).

1 (3) (intro.) Subject to s. 560.78 238.38[✓], certify persons who are eligible to claim
2 tax benefits while an area is designated as a development zone, according to the
3 following criteria:

4 (b) The person's commitment not to engage in economic activity that violates
5 s. 560.78 238.38[✓](1).

6 (c) The number of full-time jobs that will be created, retained,[✓] or substantially
7 upgraded as a result of the person's economic activity in relation to the amount of tax
8 benefits estimated for the person under sub. (4).

9 (e) The amount the person proposes to invest in a business, or spend on the
10 construction, rehabilitation, repair,[✓] or remodeling of a building, located within the
11 development zone.

12 (j) Any other criteria established under rules promulgated[✓] adopted by the
13 department corporation.

14 (14) (5) ^(intro.) Provide a person certified under sub. (3) and the department of revenue
15 with a copy of the certification. The certification shall include all of the following:

16 (e) The estimated number of full-time jobs that will be created,[✓] retained, or
17 significantly upgraded in the development zone because of the person's business.

18 (g) The limit under s. 560.768 238.368[✓] on tax benefits the person may claim
19 while an area is designated as a development zone.

20 (h) Other information required by the department corporation[✓] or the
21 department of revenue. (a) and (b)

22 (22) **SECTION 630.** 560.768[✓] of the statutes is renumbered 238.368, and 238.368 (1)[✓]

23 (2) (intro.) and (b) and (3) (a) (intro.) and 1. and (b), as renumbered, are amended to

24 read:

1 **238.368 Limits on tax benefit to certified person.** (1) (a) The department
2 corporation shall establish a limit on the maximum amount of tax benefits a person
3 certified under s. ~~560.765~~ 238.365 (3) may claim while an area is designated as a
4 development zone.

5 (b) When establishing a limit on tax benefits under par. (a), the department
6 corporation shall do all of the following:

7 1. Consider all of the criteria described in s. ~~560.765~~ 238.365 (3) (a) to (e).

8 2. Establish a limit which does not greatly exceed a recommended limit,
9 established under rules ~~promulgated~~ adopted by the department corporation based
10 on the cost, number and types of full-time jobs that will be created, retained, or
11 upgraded, including full-time jobs available to members of the targeted population,
12 as a result of the economic activity of the person certified under s. ~~560.765~~ 238.365
13 (3).

14 (2) (intro.) The department corporation may, upon request, increase a limit on
15 tax benefits established under sub. (1) if the department corporation does all of the
16 following:

17 (b) Revises the certification required under s. ~~560.765~~ 238.365 (5) and provides
18 a copy of the revised form to the department of revenue and the person whose limit
19 is increased under this subsection.

20 (3) (a) ^(intro.) The department corporation may reduce a limit established under sub.
21 (1) or (2) if the department corporation determines that any of the following applies:

22 1. The limit is not consistent with the criteria listed under s. ~~560.765~~ 238.365

23 (3) (a) to (e).

1 (b) The ~~department~~ corporation shall notify the department of revenue and the
2 person whose limit on tax benefits is reduced under par. (a) and provide a written
3 explanation to the person of the reasons for reducing the limit.

4 **SECTION 631.** ~~560.77~~ of the statutes is renumbered ~~238.37~~, and ~~238.37~~ (1)
5 (intro.) and (b) and (2), as renumbered, are amended to read:

6 **238.37 (1)** (intro.) The ~~department~~ corporation shall revoke the certification of
7 a person certified under s. ~~560.765~~ 238.365 (3) if the person does any of the following:

8 (b) Becomes subject to revocation under s. ~~560.78~~ 238.38 (1).

9 **(2)** The ~~department~~ corporation shall notify the department of revenue within
10 30 days of revoking a certification under sub. (1).

11 **SECTION 632.** ~~560.78~~ of the statutes is renumbered ~~238.38~~, and ~~238.38~~ (1)
12 (intro.), (1m), (2) (intro.) and (a) and (3) (a) and (b), as renumbered, are amended to
13 read:

14 **238.38 (1)** (intro.) Except as provided in subs. (2) and (3), no person may be
15 certified under s. ~~560.765~~ 238.365 (3), or a person's certification may be revoked
16 under s. ~~560.77~~ 238.37, if the proposed new business, expansion of an existing
17 business, or other proposed economic activity in a development zone would do or does
18 any of the following:

19 **(1m)** No person may be certified under s. ~~560.765~~ 238.365 (3) on or after March
20 6, 2009.

21 **(2)** (intro.) Subsection (1) does not apply if, after a hearing, the ~~department~~
22 corporation, or the local governing body under sub. (3) (a), determines that any of the
23 following applies:

1 (a) The total number of full-time jobs provided by the person in this state would
2 be reduced if the person were not certified under s. ~~560.765~~ [✓]238.365 (3) or if the
3 person's certification were revoked.

4 (3) (a) Except as provided in pars. (b) and (c), if the economic activity for which
5 a person is seeking certification under s. ~~560.765~~ [✓]238.365 (3) is the relocation of a
6 business into a development zone from a location that is outside the development
7 zone but within the limits of a city, village, town, [✓]or federally recognized American
8 Indian reservation in which that development zone is located, the local governing
9 body that nominated that area as a development zone under s. ~~560.72~~ [✓]238.32 shall
10 determine whether sub. (2) (a) or (b) applies.

11 (b) Only the ~~department~~ [✓]corporation may determine whether sub. (2) (a) or (b)
12 applies to a business relocation described in par. (a) if the business relocation would
13 likely result in the loss of full-time jobs at or transfer of employees from a business
14 location that is in this state but outside the limits of any city, village, town, [✓]or
15 federally recognized American Indian reservation in which the development zone is
16 located.

17 **SECTION 633.** ~~560.785~~ [✓] of the statutes is renumbered 238.385, and 238.385 (1)
18 (intro.), (b), (bm) and (c) (intro.) [✓]and (2) (intro.), (b) and (c) [✓]as renumbered, are
19 amended to read:

20 238.385 (1) (intro.) For the development zone program under ss. ~~560.70 and~~
21 ~~560.71 to 560.78~~ [✓]238.30 [✓]and [✓]238.31 to 238.38, the development opportunity zone
22 program under s. ~~560.795~~ [✓]238.395, and the enterprise development zone program
23 under s. ~~560.797~~ [✓]238.397, the ~~department~~ [✓]corporation shall ~~promulgate~~ [✓]adopt rules
24 that further define a person's eligibility for tax benefits. The rules shall do at least
25 all of the following:

1 (b) Allow a person to claim up to \$8,000 in tax benefits during the time that an
2 area is designated as a development zone, as a development opportunity zone,[✓] or as
3 an enterprise development zone for creating a full-time job that is filled by a member
4 of the target population.

5 (bm) Allow a person to claim up to \$8,000 in tax benefits during the time that
6 an area is designated as an enterprise development zone for retaining a full-time job
7 if the ~~department~~ corporation[✓] determines that the person made a significant capital
8 investment to retain the full-time job.

9 (c) (intro.) Allow a person to claim up to \$6,000 in tax benefits during the time
10 that an area is designated as a development zone, as a development opportunity
11 zone,[✓] or as an enterprise development zone for any of the following:

12 (2) (intro.) The ~~department~~ corporation[✓] may by rule specify circumstances
13 under which the ~~department~~ corporation may grant exceptions to any of the
14 following:

15 (b) The requirement under ss. ~~560.70~~ 238.30[✓] (2m) and ~~560.797~~ 238.397[✓] (1) (am)
16 that an individual's pay must equal at least 150% of the federal minimum wage.

17 (c) The requirement under ss. ~~560.70~~ 238.30[✓] (2m) and ~~560.797~~ 238.397[✓] (1) (am)
18 that an individual's position must be regular, nonseasonal, and full-time and that
19 the individual must be required to work at least 2,080 hours per year, including paid
20 leave and holidays.

21 **SECTION 634.** ~~560.795~~^x of the statutes is renumbered ~~238.395~~[✓], and 238.395 (1)

22 (a), (b), (c), (d), (e), (f), (g) and (h), (2) (c), (d) and (e), (3) (a), (b) 1., 2., 3., 4., 5., 6., 7.,
23 8. and 9., ^{(c) and (d),} (4) (a) (intro.) and (b) and (5) (a) (intro.), 2. and 3., (b), (c), (d), (e) (intro.)

24 and 3. and (f), as renumbered, are amended to read:

1 238.395 (1) (a) An area in the city of Beloit, the legal description of which is
2 provided to the ~~department~~ corporation by the local governing body of the city of
3 Beloit.

4 (b) An area in the city of West Allis, the legal description of which is provided
5 to the ~~department~~ corporation by the local governing body of the city of West Allis.

6 (c) An area in the city of Eau Claire, the legal description of which is provided
7 to the ~~department~~ corporation by the local governing body of the city of Eau Claire.

8 (d) An area in the city of Kenosha, the legal description of which is provided to
9 the ~~department~~ corporation by the local governing body of the city of Kenosha.

10 (e) An area in the city of Milwaukee, the legal description of which is provided
11 to the ~~department~~ corporation by the local governing body of the city of Milwaukee.

12 (f) For the Gateway Project, an area in the city of Beloit, the legal description
13 of which is provided to the ~~department~~ corporation by the local governing body of the
14 city of Beloit.

15 (g) An area in the city of Janesville, the legal description of which is provided
16 to the ~~department~~ corporation by the local governing body of the city of Janesville.

17 (h) An area in the city of Kenosha, the legal description of which is provided to
18 the ~~department~~ corporation by the local governing body of the city of Kenosha.

19 (2) (c) Annually, the ~~department~~ corporation shall estimate the amount of
20 forgone state revenue because of tax benefits claimed by ~~corporations~~ or persons in
21 each development opportunity zone.

22 (d) 1. Notwithstanding pars. (a) and (e), the designation of an area as a
23 development opportunity zone shall expire 90 days after the day on which the
24 ~~department~~ corporation determines that the forgone tax revenues under par. (c) will
25 equal or exceed the limit for the development opportunity zone.

1 2. The ~~department~~ corporation[✓] shall immediately notify the local governing
2 body of the city in which the development opportunity zone is located of a change in
3 the expiration date of the development opportunity zone under this paragraph.

4 (e) 1. The ~~department~~ corporation[✓] may extend the designation of an area under
5 sub. (1) (g) as a development opportunity zone for an additional 60 months if the
6 ~~department~~ corporation determines that an extension under this subdivision would
7 support economic development within the city. If the ~~department~~ corporation[✓]
8 extends the designation of the area as a development opportunity zone, the limit for
9 tax benefits for the development opportunity zone under sub. (1) (g) is increased by
10 \$5,000,000.

11 2. The ~~department~~ corporation[✓] may extend the designation of an area under
12 sub. (1) (h) as a development opportunity zone for an additional 60 months if the
13 ~~department~~ corporation determines that an extension under this subdivision would
14 support economic development within the city. If the ~~department~~ corporation[✓]
15 extends the designation of the area as a development opportunity zone, the limit for
16 tax benefits for the development opportunity zone under sub. (1) (h) is increased by
17 \$5,000,000.

18 (3) APPLICATION AND ENTITLEMENT TO TAX BENEFITS. (a) 1. Any ~~corporation~~ person[✓]
19 that is conducting or that intends to conduct economic activity in a development
20 opportunity zone under sub. (1) (a) or (b) and that, in conjunction with the local
21 governing body of the city in which the development opportunity zone is located,
22 submits a project plan as described in par. (b) to the ~~department~~ corporation[✓] no later
23 than 6 months after April 23, 1994, shall be entitled to claim tax benefits while the
24 area is designated as a development opportunity zone.

1 2. Any ~~corporation~~ person[✓] that is conducting or that intends to conduct
2 economic activity in a development opportunity zone under sub. (1) (c) and that, in
3 conjunction with the local governing body of the city in which the development
4 opportunity zone is located, submits a project plan as described in par. (b) to the
5 ~~department~~ corporation[✓] no later than 6 months after April 28, 1995, shall be entitled
6 to claim tax benefits while the area is designated as a development opportunity zone.

7 3. Any ~~corporation~~ person[✓] that is conducting or that intends to conduct
8 economic activity in a development opportunity zone under sub. (1) (d) and that, in
9 conjunction with the local governing body of the city in which the development
10 opportunity zone is located, submits a project plan as described in par. (b) to the
11 ~~department~~ corporation[✓] no later than July 1, 2000, shall be entitled to claim tax
12 benefits while the area is designated as a development opportunity zone.

13 4. Any person that is conducting or that intends to conduct economic activity
14 in a development opportunity zone under sub. (1) (e), (f), (g), or (h) and that, in
15 conjunction with the local governing body of the city in which the development
16 opportunity zone is located, submits a project plan as described in par. (b) to the
17 ~~department~~ corporation[✓] shall be entitled to claim tax benefits while the area is
18 designated as a development opportunity zone.

19 (b) 1. The name and address of the ~~corporation's~~ [✓] ~~or~~ person's business for which
20 tax benefits will be claimed.

21 2. The appropriate federal tax identification number of the [✓] ~~corporation~~ ~~or~~
22 person.

23 3. The names and addresses of other locations outside of the development
24 opportunity zone where the ~~corporation~~ [✓] ~~or~~ person conducts business and a
25 description of the business activities conducted at those locations.

1 4. The amount that the ~~corporation~~[✓] or person proposes to invest in a business,
2 or spend on the construction, rehabilitation, repair, or remodeling of a building,
3 located within the development opportunity zone.

4 5. The estimated total investment of the ~~corporation~~[✓] or person in the
5 development opportunity zone.

6 6. The number of full-time jobs that will be created, retained, or substantially
7 upgraded as a result of the ~~corporation's~~[✓] or person's economic activity in relation to
8 the amount of tax benefits estimated for the ~~corporation~~[✓] or person.

9 7. The ~~corporation's~~[✓] or person's plans to make reasonable attempts to hire
10 employees from the targeted population.

11 8. A description of the commitment of the local governing body of the city in
12 which the development opportunity zone is located to the ~~corporation's~~[✓] or person's
13 project.

14 9. Other information required by the ~~department~~[✓] corporation or the
15 department of revenue.

16 (c) The ~~department~~[✓] corporation shall notify the department of revenue of all
17 ~~corporations~~[✓] or persons entitled to claim tax benefits under this subsection.

18 (d) The ~~department~~[✓] corporation annually shall verify information submitted
19 to the ~~department~~[✓] corporation under s. 71.07 (2di), (2dm), or (2dx), 71.28 (1di), (1dm),
20 or (1dx), 71.47 (1di), (1dm), or (1dx), or 76.636.

21 (4) **REVOCATION OF ENTITLEMENT** (a) (intro.) The ~~department~~[✓] corporation shall
22 revoke the entitlement of a ~~corporation~~[✓] or person to claim tax benefits under sub. (3)
23 if the ~~corporation~~[✓] or person does any of the following:

24 (b) The ~~department~~[✓] corporation shall notify the department of revenue within
25 30 days after revoking an entitlement under par. (a).

1 (5) CERTIFICATION BASED ON THE ACTIVITY OF ANOTHER. (a) (intro.) The
2 ~~department~~ corporation may certify for tax benefits a person that is conducting
3 economic activity in the development opportunity zone under sub. (1) (e) or (f) and
4 that is not otherwise entitled to claim tax benefits if all of the following apply:

5 2. The ~~department~~ corporation determines that the economic activity of the
6 other person under subd. 1. would not have occurred but for the involvement of the
7 person to be certified for tax benefits under this subsection.

8 3. The person to be certified for tax benefits under this subsection will pass the
9 benefits through to the other person conducting the economic activity under subd.
10 1., as determined by the ~~department~~ corporation.

11 (b) A person intending to claim tax benefits under this subsection shall submit
12 to the ~~department~~ corporation an application, in the form required by the
13 ~~department~~ corporation, containing information required by the ~~department~~
14 corporation and by the department of revenue.

15 (c) The ~~department~~ corporation shall notify the department of revenue of all
16 persons certified to claim tax benefits under this subsection.

17 (d) The ~~department~~ corporation annually shall verify information submitted
18 to the ~~department~~ corporation under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx),
19 71.47 (1dm) or (1dx), or 76.636.

20 (e) (intro.) The ~~department~~ corporation shall revoke the entitlement of a person
21 to claim tax benefits under this subsection if the person does any of the following:

22 3. Does not pass the benefits through to the other person conducting the
23 economic activity under par. (a) 1., as determined by the ~~department~~ corporation.

24 (f) The ~~department~~ corporation shall notify the department of revenue within
25 30 days after revoking an entitlement under par. (e).

****NOTE: Current s. 560.795 refers to entities that may obtain tax benefits under the Development Opportunity Zone Program as "corporations or persons." To avoid confusion resulting from the transfer of the administration of this program from Commerce to WEDC, I have changed "corporations or persons" to "persons." Note that under s. 990.01 (21), corporations are included in the term "person," so the change does not affect the substance of 560.795. Is this okay?

1 SECTION 635. 560.797 of the statutes is renumbered 238.397^x, and 238.397 (1)
2 (am), (c) and (d), (2) (a) (intro.), 3. and 4. a. and d. and (b) (intro.), 1. and 8., (bg) (intro.)
3 and 2., (br)^(intro.), (c), (d) and (e) (1. and 2)^{oi}, (3) (a), (b) 4., 6. and 11. and (c), (4) (a), (c), (d),
4 (f) and (g), (5) (a), (b), (c) and (d) 1. and 2. and (6) (a) (intro.) and (b), as renumbered,
5 are amended to read:

6 238.397 (1) (am) "Full-time job" has the meaning given in s. 560.70[✓] 238.30
7 (2m).

8 (c) "Target population" has the meaning given in s. 560.70[✓] 238.30 (6).

9 (d) "Tax benefits" has the meaning given in s. 560.70[✓] 238.30 (7).

10 (2) CRITERIA FOR DESIGNATION AS AN ENTERPRISE DEVELOPMENT ZONE. (a) (intro.)
11 Subject to pars. (c), (d), and (e), the ~~department~~ corporation[✓] may designate an area
12 as an enterprise development zone for a project if the ~~department~~ corporation[✓]
13 determines all of the following:

14 3. That the project is not likely to occur or continue without the ~~department's~~[✓]
15 corporation's designation of the area as an enterprise development zone.

16 4. a. The unemployment rate in the area is higher than the state average for
17 the 18 months immediately preceding the date on which the application under sub.
18 (3) was submitted to the ~~department~~ corporation[✓].

19 d. In the 36 months immediately preceding the date on which the application
20 under sub. (3) was submitted to the ~~department~~ corporation[✓], a number of workers
21 in the area were permanently laid off by their employer or became unemployed as
22 a result of a business action subject to s. 109.07 (1m).

1 (b) (intro.) In making a determination under par. (a), the ~~department~~
2 corporation shall consider all of the following:✓

3 1. The extent of poverty, unemployment,✓ or other factors contributing to
4 general economic hardship in the area.

5 8. Any other factors that the ~~department~~ corporation considers relevant.✓

6 (bg) (intro.) Notwithstanding par. (a) and subject to pars. (c), (d), and (e), the
7 ~~department~~ corporation✓ may designate an area as an enterprise development zone
8 for a project if the ~~department~~ corporation✓ determines all of the following:

9 2. That the project is not likely to occur or continue without the ~~department's~~
10 corporation's designation of the area as an enterprise development zone.✓

11 (br) (intro.) In making a determination under par. (bg), the ~~department~~
12 corporation✓ shall consider all of the following:

13 (c) The ~~department~~ corporation✓ may not designate as an enterprise
14 development zone, or as any part of an enterprise development zone, an area that is
15 located within the boundaries of an area that is designated as a development
16 opportunity zone under s. 560.795 238.395,✓ the designation of which is in effect.

17 (d) The ~~department~~ corporation✓ may not designate more than 98 enterprise
18 development zones unless the ~~department~~ corporation✓ obtains the approval of the
19 joint committee on finance to do so. Of the enterprise development zones that the
20 ~~department~~ corporation✓ designates, at least 10 shall be designated under par. (bg).

21 (e) The ~~department~~ corporation✓ may not designate any area as an enterprise
22 development zone on or after March 6, 2009.

23 (3) APPLICATION AND PROJECT PLAN. (a) A person that conducts or that intends
24 to conduct a project and that desires to have the area in which the project is or is to
25 be conducted designated as an enterprise development zone for the purpose of

1 claiming tax benefits may submit to the department [✓]corporation an application and
2 a project plan.

3 (b) 4. The amount that the person proposes to invest in a business; to spend on
4 the construction, rehabilitation, repair, [✓] or remodeling of a building; or to spend on
5 the removal or containment of, or the restoration of soil or groundwater affected by,
6 environmental pollution; in the area proposed to be designated as an enterprise
7 development zone.

8 6. The estimated number of full-time jobs that will be created, [✓] retained, or
9 substantially upgraded as a result of the person's project in relation to the amount
10 of tax benefits estimated for the person.

11 11. Any other information required by the department [✓]corporation or the
12 department of revenue.

13 (c) The department [✓]corporation may not accept or approve any applications or
14 project plans submitted under par. (a) on or after March 6, 2009.

15 (4) DESIGNATION, CERTIFICATION, AND ADDITIONAL DUTIES. (a) Except as provided
16 in par. (h), if the department [✓]corporation approves a project plan under sub. (3) and
17 designates the area in which the person submitting the project plan conducts or
18 intends to conduct the project as an enterprise development zone under the criteria
19 under sub. (2), the department [✓]corporation shall certify the person as eligible for tax
20 benefits.

21 (c) When the department [✓]corporation designates an area as an enterprise
22 development zone for a project, the department [✓]corporation shall notify the
23 governing body of any city, village, town, or federally recognized American Indian
24 tribe or band in which the area is located of the area's designation.

1 (d) The ~~department~~ corporation ✓ shall notify the department of revenue of all
2 persons entitled to claim tax benefits under this section, except that the ~~department~~
3 corporation ✓ shall notify the office of the commissioner of insurance of all persons
4 entitled to claim the credit under s. 76.636.

5 (f) The tax benefits for which a person is certified as eligible under this
6 subsection are not transferable to another person, business, ✓ or location, except to the
7 extent permitted under section 383 of the internal revenue code.

8 (g) The ~~department~~ corporation ✓ annually shall verify information submitted
9 to the ~~department~~ corporation ✓ under s. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), or
10 76.636.

11 (5) DURATION AND LIMITS (a) When the ~~department~~ corporation ✓ designates an
12 area as an enterprise development zone under this section, the ~~department~~
13 corporation shall specify the length of time, not to exceed 84 months, that the
14 designation is effective, subject to par. (d) and sub. (6).

15 (b) When the ~~department~~ corporation ✓ designates an area as an enterprise
16 development zone under this section, the ~~department~~ corporation ✓ shall establish a
17 limit, not to exceed \$3,000,000, for tax benefits for the enterprise development zone.

18 (c) Annually, the ~~department~~ corporation ✓ shall estimate the amount of forgone
19 state revenue because of tax benefits claimed by persons in each enterprise
20 development zone.

21 (d) 1. Notwithstanding the length of time specified by the ~~department~~
22 corporation ✓ under par. (a), the designation of an area as an enterprise development
23 zone shall expire 90 days after the day on which the ~~department~~ corporation ✓
24 determines that the forgone tax revenues under par. (c) will equal or exceed the limit
25 established for the enterprise development zone.

1 2. The department corporation shall immediately notify the department of
2 revenue and the governing body of any city, village, town, or federally recognized
3 American Indian tribe or band in which the enterprise development zone is located
4 of a change in the expiration date of the enterprise development zone under this
5 paragraph.

6 (6) REVOCATION OF ENTITLEMENT (a) (intro.) The department shall
7 revoke the entitlement of a person to claim tax benefits under this section, and the
8 designation of the area as an enterprise development zone shall expire, if the person
9 does any of the following:

10 (b) The department shall notify the department of revenue within
11 30 days after revoking an entitlement under par. (a).

12 **SECTION 636.** 560.798 of the statutes is renumbered 238.398, and 238.398 (2)
13 (a) and (b), (3) (a) and (b), (4) (a) (intro.) and (b) and (5) (intro.) and (e), as renumbered,
14 are amended to read:

15 238.398 (2) (a) Except as provided under par. (c), the department
16 may designate one area in the state as an agricultural development zone. The area
17 must be located in a rural municipality. An agricultural business that is located in
18 an agricultural development zone and that is certified by the department
19 under sub. (3) is eligible for tax benefits as provided in sub. (3).

20 (b) The designation of an area as an agricultural development zone shall be in
21 effect for 10 years from the time that the department first designates the
22 area. Not more than \$5,000,000 in tax benefits may be claimed in an agricultural
23 development zone, except that the department may allocate the amount
24 of unallocated airport development zone tax credits, as provided under s. ~~560.7995~~
25 238.3995 (3) (b), to agricultural development zones for which the \$5,000,000

1 maximum allocation is insufficient. The ~~department~~ corporation may change the
2 boundaries of an agricultural development zone during the time that its designation
3 is in effect. A change in the boundaries of an agricultural development zone does not
4 affect the duration of the designation of the area or the maximum tax benefit amount
5 that may be claimed in the agricultural development zone.

6 (3) (a) Except as provided under par. (c), the ~~department~~ corporation may
7 certify for tax benefits in an agricultural development zone a new or expanding
8 agricultural business that is located in the agricultural development zone. In
9 determining whether to certify a business under this subsection, the ~~department~~
10 corporation shall consider, among other things, the number of jobs that will be
11 created or retained by the business.

12 (b) When the ~~department~~ corporation certifies an agricultural business under
13 this subsection, the ~~department~~ corporation shall establish a limit on the amount of
14 tax benefits that the business may claim. The ~~department~~ corporation shall enter
15 into an agreement with the business that specifies the limit on the amount of tax
16 benefits that the business may claim and reporting requirements with which the
17 business must comply.

18 (4) (a) (intro.) The ~~department of commerce~~ corporation shall notify the
19 department of revenue of all the following:

20 (b) The ~~department~~ corporation shall annually verify information submitted
21 to the ~~department~~ corporation under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx),
22 71.47 (1dm) or (1dx), or 76.636.

23 (5) (intro.) The ~~department~~ corporation shall ~~promulgate~~ adopt rules for the
24 operation of this section, including rules related to all the following:

1 (e) The exchange of information between the ~~department of commerce~~
2 corporation and the department of revenue.

3 **SECTION 637.** 560.799 of the statutes is renumbered 238.399, and 238.399 (1)
4 (am) 2., (3) (a), (b) (intro.), (bm) and (c), (5) (intro.), (b), (c) 1. a. and b., 2. b. and c., (d)
5 1. and (e), (5m) and (6) (a), (b) (intro.), (c), (d), (e), (f) and (g) (intro.) and 1. (intro.),
6 as renumbered, are amended to read:

7 238.399 (1) (am) 2. The ~~department~~ corporation may by rule specify
8 circumstances under which the ~~department~~ corporation may grant exceptions to the
9 requirement under subd. 1. that a full-time employee means an individual who, as
10 a condition of employment, is required to work at least 2,080 hours per year, but
11 under no circumstances may a full-time employee mean an individual who, as a
12 condition of employment, is required to work less than 37.5 hours per week.

13 **(3) DESIGNATION OF ENTERPRISE ZONES; CRITERIA.** (a) The ~~department~~ corporation
14 may designate not more than 12 enterprise zones.

15 (b) (intro.) In determining whether to designate an area under par. (a), the
16 ~~department~~ corporation shall consider all of the following:

17 (bm) The ~~department~~ corporation shall specify whether an enterprise zone
18 designated under par. (a) is located in a tier I county or municipality or a tier II county
19 or municipality.

20 (c) The ~~department~~ corporation shall, to the extent possible, give preference to
21 the greatest economic need.

22 **(5) CERTIFICATION.** (intro.) The ~~department~~ corporation may certify for tax
23 benefits any of the following:

24 (b) A business that relocates to an enterprise zone from outside this state, if the
25 business offers compensation and benefits to its employees working in the zone for

1 the same type of work that are at least as favorable as those offered to its employees
2 working outside the zone, as determined by the ~~department~~ corporation.[✓]

3 (c) 1. a. The business enters into an agreement with the ~~department~~
4 corporation[✓] to claim tax benefits only for years during which the business maintains
5 the increased level of personnel.

6 b. The business offers compensation and benefits for the same type of work to
7 its employees working in the enterprise zone that are at least as favorable as those
8 offered to its employees working in this state but outside the zone, as determined by
9 the ~~department~~ corporation.[✓]

10 2. b. The business enters into an agreement with the ~~department~~ corporation[✓]
11 to claim tax benefits only for years during which the business maintains the capital
12 investment.

13 c. The business offers compensation and benefits for the same type of work to
14 its employees working in the zone that are at least as favorable as those offered to
15 its employees working in this state but outside the zone, as determined by the
16 ~~department~~ corporation.[✓]

17 (d) 1. The business is an original equipment manufacturer with a significant
18 supply chain in the state, as determined by the ~~department~~ corporation[✓] by rule.

19 (e) A business located in an enterprise zone if the business purchases tangible
20 personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or
21 services from Wisconsin vendors, as determined by the ~~department~~ corporation.[✓]

22 **(5m)** ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES. If the
23 ~~department~~ corporation[✓] determines that a business certified under sub. (5) makes
24 a significant capital expenditure in the enterprise zone, the ~~department~~ corporation[✓]
25 may certify the business to receive additional tax benefits in an amount to be

1 determined by the ~~department~~ corporation[✓], but not exceeding 10 percent of the
2 business' capital expenditures. The ~~department~~ corporation[✓] shall, in a manner
3 determined by the ~~department~~ corporation[✓], allocate the tax benefits a business is
4 certified to receive under this subsection over the remainder of the time limit of the
5 enterprise zone under sub. (4).

6 (6) OTHER DUTIES. (a) The ~~department of commerce~~ corporation[✓] shall notify the
7 department of revenue when the ~~department of commerce~~ corporation[✓] certifies a
8 business to receive tax benefits.

9 (b) (intro.) The ~~department~~ corporation[✓] shall revoke a certification under sub.
10 (5) if the business does any of the following:

11 (c) The ~~department of commerce~~ corporation[✓] shall notify the department of
12 revenue within 30 days of a revocation under par. (b).

13 (d) The ~~department~~ corporation[✓] may require a business to repay any tax
14 benefits the business claims for a year in which the business failed to maintain
15 employment or capital investment levels required by an agreement under sub. (5) (c).

16 (e) The ~~department~~ corporation[✓] shall determine the maximum amount of the
17 tax credits under ss. 71.07 (3w), 71.28 (3w), and 71.47 (3w) that a certified business
18 may claim and shall notify the department of revenue of this amount.

19 (f) The ~~department~~ corporation[✓] shall annually verify the information
20 submitted to the ~~department~~ corporation[✓] under ss. 71.07 (3w), 71.28 (3w), or 71.47
21 (3w).

22 (g) (intro.) The ~~department~~ corporation[✓] shall promulgate adopt[✓] rules specifying all of the
23 following ~~by rule~~:

1 1. (intro.) The definitions of a tier I county or municipality and a tier II county
2 or municipality. The ~~department~~ corporation may consider all of the following
3 information when establishing the definitions required under this subdivision:

4 **SECTION 638.** 560.7995 of the statutes is renumbered 238.3995, and 238.3995
5 (1) (b) and (c), (2) (a) (intro.) and 4., (b) (intro.) and 8., (c) 1. and 2. and (d), (3) (a), (b),
6 (c) and (d) 1. and 2., (4) (a) (intro.) and 10., (am), (ar), (b) 1., (c) (intro.) and (d) and
7 (5), as renumbered, are amended to read:

8 238.3995 (1) (b) "Full-time job" has the meaning given in s. ~~560.70~~ 238.30 (2m).

9 (c) "Target population" has the meaning given in s. ~~560.70~~ 238.30 (6).

10 (2) DESIGNATION OF AN AIRPORT DEVELOPMENT ZONE. (a) (intro.) Subject to pars.

11 (c) and (e), the ~~department~~ corporation may designate an area as an airport
12 development zone if the ~~department~~ corporation determines all of the following:

13 4. That the airport development project is not likely to occur or continue
14 without the department's corporation designation of the area as an airport
15 development zone.

16 (b) (intro.) In making a determination under par. (a), the ~~department~~
17 corporation shall consider all of the following:

18 8. Any other factors that the ~~department~~ corporation considers relevant.

19 (c) 1. The ~~department~~ corporation may not designate as an airport development
20 zone, or as any part of an airport development zone, an area that is located within
21 the boundaries of an area that is designated as a development zone under s. ~~560.71~~
22 238.31, as a development opportunity zone under s. ~~560.795~~ 238.395, or as an
23 enterprise development zone under s. ~~560.797~~ 238.397.

24 2. The ~~department~~ corporation shall give the department of transportation the
25 opportunity to review and comment on any proposed designation under this

1 subsection and the department of transportation may deny any such designation if
2 the department of transportation determines that the designation would
3 compromise the airport's safety or utility. The department of transportation may
4 also review and comment on any land use or compatibility issues related to any
5 proposed designation under this subsection.

6 (d) Notwithstanding pars. (a) to (c), and except as provided in par. (e), the
7 ~~department~~ corporation ✓ shall designate as an airport development zone the area
8 within the boundaries of Adams, Fond du Lac, Green Lake, Juneau, Langlade,
9 Lincoln, Marathon, Marquette, Menominee, Oneida, Portage, Price, Shawano,
10 Taylor, Waupaca, Waushara, Winnebago, Wood, and Vilas counties.

11 (3) DURATION OF DESIGNATION; LIMITS ON TAX BENEFITS. (a) When the ~~department~~
12 corporation ✓ designates an area as an airport development zone, the ~~department~~
13 corporation ✓ shall specify the length of time, not to exceed 84 months, that the
14 designation is effective, subject to par. (d). The ~~department~~ corporation ✓ shall notify
15 each person certified for tax benefits in an airport development zone, the department
16 of revenue, the department of transportation, the Wisconsin Housing and Economic
17 Development Authority, and the governing body of each county, city, village, town,
18 and federally recognized American Indian tribe or band in which territory of the
19 airport development zone is located of the designation of and expiration date of the
20 airport development zone.

21 (b) When the ~~department~~ corporation ✓ designates an area as an airport
22 development zone, the ~~department~~ corporation ✓ shall establish a limit, not to exceed
23 \$3,000,000, for tax benefits applicable to the airport development zone, except that
24 the ~~department~~ corporation ✓ shall limit the amount of tax benefits applicable to the
25 airport development zone designated under sub. (2) (d) to \$750,000. The total tax

1 benefits applicable to all airport development zones may not exceed \$9,000,000, less
2 any amount allocated to technology zones under s. ~~560.96~~^{238.36} (2) (b) and to
3 agricultural development zones under s. ~~560.798~~^{238.398} (2) (b), and except that the
4 total amount allocated to all technology zones under s. ~~560.96~~^{238.36} (2) (b) and to
5 all agricultural development zones under s. ~~560.798~~^{238.398} (2) (b), may not exceed
6 \$6,000,000. The ~~department~~^{corporation} may not reallocate amounts as provided
7 under this paragraph on or after January 1, 2010, except that the ~~department~~
8 corporation may, after 48 months from the month of any designation under this
9 section, evaluate the area designated as an airport development zone and reallocate
10 the amount of available tax benefits.

11 (c) Annually, the ~~department~~^{corporation} shall estimate the amount of forgone
12 state revenue because of tax benefits claimed by persons in each airport development
13 zone.

14 (d) 1. Notwithstanding the length of time specified by the ~~department~~
15 corporation under par. (a), the designation of an area as an airport development zone
16 shall expire 90 days after the day on which the ~~department~~^{corporation} determines
17 that the forgone tax revenues estimated under par. (c) will equal or exceed the limit
18 established for the airport development zone.

19 2. The ~~department~~^{corporation} shall immediately notify each person certified
20 for tax benefits in an airport development zone, the department of revenue, the
21 department of transportation, the Wisconsin Housing and Economic Development
22 Authority, and the governing body of each county, city, village, town, and federally
23 recognized American Indian tribe or band in which territory of the airport
24 development zone is located of a change in the expiration date of the airport
25 development zone under this paragraph.

1

(4) CERTIFICATION FOR TAX BENEFITS. (a) (intro.) A person that intends to operate

2

a place of business in an airport development zone may submit to the department

3

corporation an application and a business plan. The business plan shall include all

4

of the following:

5

10. Any other information required by the department corporation or the

6

department of revenue.

7

(am) A person that intends to operate a business in the airport development

8

zone designated under sub. (2) (d) may submit to the department corporation an

9

application and a business plan that includes all of the information required under

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par. (a). In approving business plans submitted under this paragraph, the

11

department corporation shall give higher priority to airport development projects

12

located or proposed to be located in a distressed area, as defined in s. 560.605 (7) (b)

13

areas that have high levels of unemployment, areas that have a low median

14

household income, areas where significant number of workers have been

15

permanently laid off, areas in which an employer has given public notice of a plant

16

closing or a substantial reduction in force that will result in a significant number of

17

workers in the area being permanently laid off, and areas affected by other factors

18

that indicate they are distressed areas, as determined by the corporation.

19

(ar) The department corporation may not accept or approve any applications

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or business plans submitted under par. (a) on or after March 6, 2009.

21

(b) 1. Except as provided in subd. 2., if the department corporation approves

22

a business plan under par. (a) or (am), the department corporation shall certify the

23

person as eligible for tax benefits. The department corporation shall notify the

24

department of revenue within 30 days of certifying a person under this paragraph.

1 (c) (intro.) The ~~department~~ corporation ✓ shall revoke a person's certification
2 under par. (b) when the designation of the applicable airport development zone
3 expires or if the person does any of the following:

4 (d) The ~~department~~ corporation ✓ shall notify the department of revenue within
5 30 days after revoking a certification under par. (c).

6 (5) VERIFICATION OF INFORMATION. The ~~department~~ corporation ✓ annually shall
7 verify information submitted to the ~~department~~ corporation ✓ under ss. 71.07 (2dm)
8 and (2dx), 71.28 (1dm) and (1dx), and 71.47 (1dm) and (1dx) as it relates to airport
9 development zones.

10 **SECTION 639.** Subchapter VIII (title) of chapter 560 [precedes 560.86] ✓ of the
11 statutes is repealed.

12 **SECTION 640.** 560.86 ✓ of the statutes is repealed.

13 **SECTION 641.** 560.87 ✓ of the statutes is repealed.

14 **SECTION 642.** 560.875 ✓ of the statutes is repealed.

15 **SECTION 643.** Subchapter IX of chapter 560 [precedes 560.90] ✓ of the statutes
16 is repealed.

17 **SECTION 644.** 560.90 ✓ of the statutes is repealed.

18 **SECTION 645.** 560.905 ✓ of the statutes is repealed.

19 **SECTION 646.** 560.92 ✓ of the statutes is repealed.

20 **SECTION 647.** 560.93 ✓ of the statutes is repealed.

21 **SECTION 648.** 560.96 ✓ of the statutes is renumbered 238.23, ✓ and 238.23 (2) (a)
22 and (b), (3) (a) (intro.), (b) (intro.), (c) and (d), (4) (a) (intro.) and (b) and (5) (intro.),
23 (e) and (g), as renumbered, are amended to read:

24 238.23 (2) (a) Except as provided in par. (c), the ~~department~~ corporation ✓ may
25 designate up to 8 areas in the state as technology zones. A business that is located

1 in a technology zone and that is certified by the ~~department~~ corporation under sub.
2 (3) is eligible for a tax credit as provided in sub. (3).

3 (b) The designation of an area as a technology zone shall be in effect for 10 years
4 from the time that the ~~department~~ corporation first designates the area. Not more
5 than \$5,000,000 in tax credits may be claimed in a technology zone, except that the
6 ~~department~~ corporation may allocate the amount of unallocated airport
7 development zone tax credits, as provided under s. ~~560.7995~~ 238.3995 (3) (b), to
8 technology zones for which the \$5,000,000 maximum allocation is insufficient. The
9 ~~department~~ corporation may change the boundaries of a technology zone during the
10 time that its designation is in effect. A change in the boundaries of a technology zone
11 does not affect the duration of the designation of the area or the maximum tax credit
12 amount that may be claimed in the technology zone.

13 (3) (a) (intro.) Except as provided in par. (e), the ~~department~~ corporation may
14 certify for tax credits in a technology zone a business that satisfies all of the following
15 requirements:

16 (b) (intro.) In determining whether to certify a business under this subsection,
17 the ~~department~~ corporation shall consider all of the following:

18 (c) When the ~~department~~ corporation certifies a business under this
19 subsection, the ~~department~~ corporation shall establish a limit on the amount of tax
20 credits that the business may claim. Unless its certification is revoked, and subject
21 to the limit on the tax credit amount established by the ~~department~~ corporation
22 under this paragraph, a business that is certified may claim a tax credit for 3 years,
23 except that a business that experiences growth, as determined for that business by
24 the ~~department~~ corporation under par. (d) and sub. (5) (e), may claim a tax credit for
25 up to 5 years.

1 (d) The ~~department~~ corporation[✓] shall enter into an agreement with a business
2 that is certified under this subsection. The agreement shall specify the limit on the
3 amount of tax credits that the business may claim, the extent and type of growth,
4 which shall be specific to the business, that the business must experience to extend
5 its eligibility for a tax credit, the business' baseline against which that growth will
6 be measured, any other conditions that the business must satisfy to extend its
7 eligibility for a tax credit, and reporting requirements with which the business must
8 comply.

9 (4) (a) (intro.) The ~~department of commerce~~ corporation[✓] shall notify the
10 department of revenue of all the following:

11 (b) The ~~department~~ corporation[✓] shall annually verify information submitted
12 to the ~~department~~ corporation[✓] under ss. 71.07 (2di), (2dm), (2dx), and (3g), 71.28
13 (1di), (1dm), (1dx), and (3g), and 71.47 (1di), (1dm), (1dx), and (3g).

14 (5) (intro.) The ~~department~~ corporation[✓] shall ~~promulgate~~ adopt rules for the
15 operation of this section, including rules related to all the following:

16 (e) Standards for extending a business's certification, including what
17 measures, in addition to job creation, the ~~department~~ corporation[✓] will use to
18 determine the growth of a specific business and how the ~~department~~ corporation[✓] will
19 establish baselines against which to measure growth.

20 (g) The exchange of information between the ~~department of commerce~~
21 corporation[✓] and the department of revenue.

22 **SECTION 649.** Subchapter ~~X~~^X (title) of chapter 560 [precedes 560.9801] of the
23 statutes is repealed.

24

SECTION 650. 560.9801^X of the statutes is repealed.

1 **SECTION 651.** 560.9802 of the statutes is renumbered [✓]238.24 and amended to
2 read:

3 **238.24 State housing strategy plan.** (1) (a) The department corporation
4 shall prepare a comprehensive 5-year state housing strategy plan. The department
5 corporation shall submit the plan to the federal department of housing and urban
6 development.

7 (b) In preparing the plan, the department corporation may obtain input from
8 housing authorities, community-based organizations, the private housing industry,
9 and others interested in housing assistance and development.

10 **(2)** (b) An evaluation and summary of housing conditions and trends in this
11 state, including housing stock and housing cost analyses, general population and
12 household composition demographic analyses, and housing and demographic
13 forecasts.

14 (d) A discussion of major housing issues, including housing production, housing
15 and neighborhood conservation, housing for persons with special needs, fair housing
16 and accessibility, and housing affordability.

17 **(3)** The department corporation shall annually update the state housing
18 strategy plan.

19 **(4)** Before October 1 of each year, the department corporation shall submit the
20 state housing strategy plan to the governor and to the chief clerk of each house of the
21 legislature for distribution to the legislature under s. 13.172 (2).

22 **SECTION 652.** 560.9803[✓] of the statutes is repealed.

23 **SECTION 653.** 560.9804[✗] of the statutes is repealed.

24 **SECTION 654.** 560.9805[✗] of the statutes is repealed.

25 **SECTION 655.** 560.9806[✗] of the statutes is repealed.

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SECTION 656. 560.9807 of the statutes is repealed.

SECTION 657. 560.9808 of the statutes is repealed.

SECTION 658. 560.9809 of the statutes is repealed.

SECTION 659. 560.9810 of the statutes is repealed.

SECTION 660. 560.9811 of the statutes is repealed.

SECTION 661. 560.9815 of the statutes is repealed.

SECTION 662. 563.05 (3) of the statutes is amended to read:

563.05 (3) The department may promulgate rules specifying the number of business days within which the department must review and make a determination on an application for a permit, as defined in s. 560.41 (2) 227.116 (1g), that is issued under this chapter.

(END)

INS 192-11